Petitions have also been filed with the Company Law Board under Sections 397/398/402/408 read with Section 406 of the Companies Act in respect of two selected vanishing companies. It is not feasible to indicate a time frame by which investors may get their money back from the vanishing companies.

Vanishing NBFCS/Registered Companies

2198. SHRI SUDARSHAN AKARAPU:
SHRI T.T.V. DHINAKARAN:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the number of registered companies and those listed on stock exchanges that have vanished leaving investors pauperized, as on 31st December, 2004;

(b) the steps taken to trace the promoters and compensate the investors of the vanished companies;

(c) the number of companies whose promoters have been caught and their assets seized, as on 31st December, 2004;

(d) the number of complaints received from investors of those vanished companies; and

(e) the action initiated/taken for payment of compensation to them?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) 115 listed companies stand identified as vanishing companies, as on 31st December, 2004.

(b) and (c) 4 Task Forces headed by Regional Directors under the Ministry of Company Affairs have been constituted to take concerted efforts for tracing the vanishing companies and their Promoters/Directors and also for taking necessary action as per law. A Central Coordination and Monitoring Committee, co-chaired by Secretary, Ministry of Company Affairs and Chairman, SEBI has been set up to monitor the progress of action being taken by the Task Forces. Prosecutions have been filed under Sections 62/63,68 and 628 of the Companies Act, 1956 against Directors of 104 vanishing companies. Besides, First Information Reports have been filed under Sections 403,406,415,418 and 420 of the Indian Penal Code

against the Promoters/Directors of 92 vanishing companies. For tracing the whereabouts of the Promoters/Directors of vanishing companies, the matter has been taken up with Passport Office, Ministry of External Affairs and Transport authorities. Petitions have also been filed with the Company Law Board under Sections 397/398/402/408 read with Section 406 of the Companies Act in respect of two selected vanishing companies.

Police have arrested 4 directors of one vanishing company, namely, M/s Trith Plastic Limited in Gujarat, who were released later on bail.

(d) 262 complaints have been received from the investors against these vanished companies.

(e) Besides action taken as mentioned in (b) & (c) above, petitions have also been filed with the Company Law Board under Sections 397/398/402/408 read with Section 406 of the Companies Act in respect of two selected vanishing companies.

Recommendations of JPC on share tainted companies

2199. SHRI UDAY PRATAP SINGH: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) what were the recommendations by the JPC on the shares tainted companies;

(b) the names of the companies against whom probe has been ordered; and

(c) what are the results and what action has been taken against the Directors of the companies?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) The report of the Joint Parliamentary Committee on Stock Market Scam was placed on the table of both Houses of Parliament in December 2002.

(b) Inspections of 96 Companies have been conducted under section 209Aof the Companies Act, 1956 based on preliminary investigation report of Securities and Exchange Board of India (SEBI) in connection with Stock Market Scam, 2001. A list of such companies is enclosed as Statement-I (See below). Investigation under Section 235/237 of the Companies Act, 1956 in respect of. 17 companies mentioned in the aforesaid report